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1) How many full time & part-time staff?

22 FTE & 25 PTE

At EWHC, we have 16 employees on Single Plans and 2 employees on Family Plans.

2) Deductible Limits: Single Plan: \$1,200; Family Plan: \$2,400

3) Full Cost for Single Blue Choice (Iowa WellMark)=\$525/Month with employee contributing \$90 toward the cost and EWHC pays \$435/Month. YOU can do the Calculations!

Full Cost for Family Plan Blue Choice (Iowa WellMark)=\$1,750/Month with the employee contributing \$370/Month & EWHC pays \$1,380/Month! YOU can do the Calculations! But, these rates are astronomical for employee/employer!

4) Over the past 5 years the average rate increase has been more than 25% for EWHC.

5) Total Health Insurance Costs represent about 7% of the EWHC Budget.

6) What strategies are you trying now to continue to offer affordable health insurance to your employees?

Higher Deductibles, Greater co-pay, Reduction of the range of benefits, & Increased Employee Contribution toward Monthly Health Insurance Costs.

7) Have you had to change insurance carriers in order to provide coverage? If so, how many times & what difficulties were encountered?

We have continued with Wellmark for about 9 years but with plans which offer less benefits every other year. We intend to shop again soon because employees feel WellMark has increasingly provided poor service and less benefits. Employees find WellMark failing to provide concise and clear answers to inquiries made by enrollees. The "Insurance Gymnastics" drive our staff nuts and our employees work in the health field and cannot understand the guidelines!

8) What recommendations would you give the commission concerning efforts to extend affordable quality coverage to your organization?

- 1) Small Employers (private businesses and/or Non-profit Organizations) must have the right and ability to develop insurance coops or pools so they can increase their numbers of lives (Plan Participants) to bargain with the Insurance industry.

- 2) Appoint an Insurance Ombudsman Office which can assist small businesses and non-profit organizations with the creation of insurance alternatives.
- 3) Establish minimum standards which allow lowans to obtain Tertiary Care at the University of Iowa, Mayo Clinic, and other Midwest Tertiary Centers.
- 4) Establish an Insurance Coverage Review Panel made up of a minority of persons employed by the insurance industry and a majority of health consumers whose livelihood is not from any work related to the health insurance industry. This panel would be charged with making expeditious decisions when requests are made to have insurance company denials reviewed. Funding would be adequate to engage consulting medical professionals with expertise to review the various claims denied by the insurance companies. Financial and Licensure Penalties would be in place for consistent denial of claims otherwise deemed appropriate for payment and/or treatment.
- 5) ALL health insurance plans would have to meet a STANDARD of one of 7 levels of benefits with Level 1 being the minimum (and, presumably the cheapest) and Level 7 being the richest with a wide range of benefits, presumably the most expensive. This makes the shopping for insurance much easier for the lay person. (This approach is already in place with Medicare & has significantly helped the consumer know just what s/he is buying.) Yet, it will cause insurance companies to compete with one another at each of the 7 Benefit Levels.
- 6) Iowa would require a minimum of 10 insurance policies to be sold to lowans in each of the 7 Benefit Levels above.
- 7) No Iowa resident will be denied insurance participation because of Pre-Existing Conditions. The State shall establish a pool similar to the workman's compensation industry so that any person denied health insurance will be assigned to a specific health insurance company. This eliminates altogether the possibility of any lowan being denied health insurance. Further, all health insurance carriers licensed in Iowa must participate in the insurance pool & agree to share in the risk of providing insurance to persons denied coverage due to pre-existing condition.
- 8) Employees who relocate from one Iowa Employer to another Iowa Employer will be allowed to participate in a plan offering minimally the same Benefit Level. For example, an employee who leaves an employer from whom the employee receives Level 4 Benefits is entitled to receive Level 4 Benefits from the new employer. Also, the new employer must offer the option for the employee to purchase into Level 7 if the employee desires greater benefits. The new employer cannot recommend or force the employee into taking Level 3 Benefits or less.
- 9) The insurance companies must annually report its profits or losses in an annual filing with the State Insurance Commission. The state insurance commission will annually publish the same information in the newspaper with the largest circulation in the county. The intent here is to educate health consumers to be more aware of the costs of health care and the financial risk to the insurance industry.
- 10) Each Non-profit health Insurance company must publicly report the 5 most highly compensated employees, including their annual compensation, in the newspaper in the county with the largest circulation. Further, all annual meetings conducted by non-profit insurance companies must be held in Iowa and be open

to the public. The intent here is to reduce or eliminate claims that Non-Profit Health Insurance companies think nothing of increasing customer premiums each year but then lavish exorbitant salaries & benefits, on their top executives and hold annual meetings in locations outside of Iowa.

There are many more suggestions for consideration. More importantly, I urge you to take decisive action to help Iowa's small businesses and non-profits cope with the outrageously high costs of providing an essential health benefit to deserving Iowans. Without prompt action, the number of Iowans without health benefits will only increase.

Please feel free to contact me.

Sincerely,

Thomas P. Fedje, President